

## Planting Intentions . . . Panama Canal . . . Aquaculture . . . Minority & Small Farms . . . Brazil's Ag Sector

### Soybean & Corn Planting Intentions Up...Again

**U.S. farmers intend to plant** a record 72 million acres of soybeans in 1998 and the most corn acreage since 1985, while reducing wheat plantings to the lowest level in 10 years, according to USDA's March 1998 *Prospective Plantings* report. These planting intentions and trend yields suggest large U.S. soybean and corn crops in 1998, while wheat output will decline. Both corn and soybean plantings have increased each year since implementation of the 1996 Farm Act, which allows farmers more planting flexibility to respond to market prices. Intended corn plantings for 1998 are higher in almost all of the Southeastern and Delta States, as acreage shifts from cotton. Most Corn Belt States show a decrease in corn planting intentions as farmers switch to soybeans despite a drop in soybean prices relative to corn. In the 1990's, growth in average soybean yields has outpaced corn, which increases relative returns to soybeans and encourages the switch.

### Squeezing Grain Through the Panama Canal

**Ships passing through the Panama Canal**—a critical link between the Atlantic and Pacific Oceans for U.S. agricultural exports to Asia—would be scraping bottom if not for restrictions on vessel draft. Panama has suffered the driest rainy season in the 83-year history of the canal, with rainfall 35 percent below normal in 1997. Water levels are now too low for large vessels to transit the canal fully loaded. Bulk U.S. agricultural exports traversing the canal (primarily corn, soybean, wheat, sorghum, and meals) are now being transported in smaller volumes, which normally raises shipping costs. But primarily because of excess capacity in the global charter vessel market and reduced demand for shipping, ocean freight rates are below year-earlier levels.

### Aquaculture Positioned To Compete In Livestock Sector

**Aquaculture now contributes more** to per capita consumption than veal, mutton, and lamb combined. In 1997, U.S. production



of processed catfish products was close to 1 pound per capita, imports of farm-raised shrimp were likely over 1 pound per capita, and the combination of farm-raised salmon, trout, tilapia, crawfish, and other aquaculture products added another pound.

In 1998, prices for catfish, the largest segment of the U.S. aquaculture industry, are expected to increase, especially in midyear, as inventories of food-size fish tighten. But large supplies of competing meats, especially pork and chicken, may put downward pressure on prices of aquaculture products. In addition, Asian seafood exporters should find the U.S. market more attractive with the devaluation of their currencies versus the dollar.

### Status Reports: Small Farms & Minority & Women Farmers

**About 94 percent of the Nation's farms** are small, with gross sales under \$250,000. Three-fourths are very small, with sales under \$50,000. U.S. farms operated by Blacks and by women are generally smaller than the national average and their sales of farm products are less. The number of Black-operated farms is declining at a faster rate than U.S. farms in general, while the number of farms operated by women and other minorities seems to be stable or increasing.

The information provided by USDA's Economic Research Service on economic and demographic characteristics of minority, women, and small farm operators contributed to the Department's efforts to address the special needs of these groups.

In response to charges of discrimination in USDA's program delivery system, the Secretary of Agriculture appointed, over the last year, a Civil Rights Action Team and a National Commission on Small Farms. Both bodies have made recommendations on how to better serve minority, women, and small-scale farm operators. These include targeting research and program assistance to small farms and modernizing USDA's local program delivery system.

### Brazil's Ag Sector Benefits From Economic Reform

**Brazil is among the world's leading** producers of grains, oilseeds, beef, and poultry and is a major exporter and importer of agricultural commodities. Its agricultural sector is expected to benefit over the next decade from the country's ambitious reforms of the past few years. The government has made significant progress in restructuring the economy since launching the stabilization program known as the Real Plan in 1994. The economy has since grown by 10 percent in real terms, and the crippling inflation rates of the early 1990's have been arrested.

The soybean sector is expected to be the greatest beneficiary of the reforms; USDA's 1998 baseline projects robust growth in Brazil's soybean output and in its exports of soybeans and products through 2007/08. While wheat acreage and yields are projected to increase, production will fall short of domestic demand, and annual imports of wheat are projected to be close to 7 million tons by 2007. Corn imports are also projected to expand. Brazil is expected to remain a net exporter of meats, with production and exports of beef and poultry projected to grow steadily over the baseline period.